

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: PUBLIC COMMUNICATIONS SERVICES, INC.	DOCKET NOS. TF-99-200 WRU-99-24
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**ORDER APPROVING INITIAL TARIFF, DENYING UNNECESSARY REQUESTS
FOR WAIVER, AND GRANTING REQUESTS FOR WAIVER**

(Issued July 30, 1999)

On July 2, 1999, Public Communications Services, Inc. (PCS), filed a proposed initial tariff as a provider of alternative operator services (AOS) in Iowa. PCS proposes to offer intrastate interexchange telecommunications services, including operator services, to inmates of confinement institutions and transient end users through pay telephones and other equipment. On June 1, 1999, PCS also filed a request for waiver of various Board rules, listed below, alleging compliance with the rules would work an unnecessary hardship on PCS without conferring any offsetting benefit upon the public.

The Board will grant most of the waivers requested by PCS, denying only those waiver requests that the Board finds are unnecessary based upon the circumstances described by PCS. Given the waivers, the proposed initial tariff filed by PCS substantially complies with applicable Board rules for the filing and processing of tariff pages and will be approved.

PCS filed a request for waiver of the cost study requirements of IOWA ADMIN. CODE 199-22.12 and 22.13 (1999). However, subrule 22.12(1)"b" provides that a tariff filing for an AOS utility that proposes rates at or below the corresponding

rates for similar services from other utilities, where those other rates are Board-approved or determined in a competitive market place, does not require a cost study. In its tariff, PCS proposes to mirror the rates of AT&T Communications of the Midwest, Inc., which rates are determined by a competitive market¹. As a result, there is no need for cost studies to support the rates proposed by PCS. The requested waiver of the cost study requirements of rules 22.12 and 22.13 is unnecessary and will be denied.

PCS also requests a waiver of IOWA ADMIN. CODE 199-22.4(3)"c"(1), which requires that utility bills state the beginning and ending dates of the billing period. PCS request a waiver, alleging it would be impossible to indicate its billing cycle on customer bills because its services will be billed by the customer's local exchange company (LEC) on the LEC's normal bill, along with the date, time, and charge for each call placed. The Board finds PCS has shown good cause for a waiver of this rule, because the bill will be issued on the LEC's normal billing cycle and the information provided with respect to the PCS charges will be sufficient to inform the customer of the basis of the charges.

PCS next requests a waiver of IOWA ADMIN. CODE 199-22.19(3), which prohibits AOS providers from blocking completion of calls that would allow a caller to reach a long distance company other than the AOS provider. PCS requests this waiver in connection with its proposed service to correctional institutions, which have specialized security requirements. PCS states these institutions must control inmate

¹ See Deregulation Of InterLATA Interexchange Message Telecommunication Service, Wide Area Telecommunication Service, Channel Service, and Custom Network Service, Docket No. INU-88-2, "Order Granting Deregulation Petition In Part And Directing Additional Investigation Into Competitiveness Of Operator-Assisted MTS" (April 5, 1989).

calling options to limit fraud and harassment opportunities. The Board finds PCS has shown good cause for waiving the rule as applied to services supplied at correctional institutions.

PCS requests a waiver of IOWA ADMIN. CODE 199-22.19(4), which requires posting the name of the AOS company and contact information on or near the telephone instrument. PCS requests this waiver because correctional institutions often have internal rules regarding the posting of notices that may be accessible to and abused by the inmates. PCS states callers will receive the same information from the administrative personnel at the institution and the called party will be automatically informed that PCS is the provider of the services. The Board finds PCS has shown good cause for waiving the posting rule as applied in the special circumstances applicable in correctional facilities.

PCS requests a waiver of IOWA ADMIN. CODE 199-22.19(5), which requires all AOS companies to announce to the customer the name of the provider carrying the call, providing sufficient time to permit the caller to terminate or transfer the call before billing begins. As described above, PCS proposes to identify itself to the called party through an automated recording and will provide the called party with sufficient time to disconnect the call prior to the initiation of billed services. A waiver is not required because the service PCS describes substantially complies with the requirements of the rule in this context.

Finally, PCS requests a waiver of IOWA ADMIN. CODE 199-22.19(7), which requires that all AOS companies ensure the routing of emergency calls to the proper local emergency service agency. PCS proposes to block emergency calls from its

instruments located in correctional facilities to eliminate the opportunity for harassment of operators, prevent inmates from circumventing the restrictions of the system, and reduce opportunities for fraud. The Board finds a waiver of the emergency call routing requirement is appropriate in the special circumstances applicable to correctional institutions.

IT IS THEREFORE ORDERED:

1. The request for waiver of IOWA ADMIN. CODE 199-22.4(3)"c"(1), 22.19(3), 22.19(4), and 22.19(7), filed by Public Communications Services, Inc. (PCS), on June 1, 1999, is granted.
2. The request for waiver of IOWA ADMIN. CODE 199-22.12, 22.13, and 22.19(5), filed by PCS on June 1, 1999, is denied because no waiver is required under the circumstances described by PCS.
3. The tariff filed by PCS on July 2, 1999, is approved, effective August 2, 1999.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

Dated at Des Moines, Iowa, this 30th day of July, 1999.